

MGM Gold Mining Plc
REPORT AND FINANCIAL STATEMENTS
for the period ended
30 April 2011



Company Registration No. 07228155

MGM Gold Mining Plc

REPORT AND FINANCIAL STATEMENTS

For the period ended 30 April 2011

CONTENTS	page
Officers and professional advisors	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Accounting policies	7
Notes to financial statements	8-10

MGM Gold Mining Plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Ayur
Y Ippitsu
T Otsuka
N Jargalsaikhan

SECRETARY

Scrip Secretaries Limited

REGISTERED OFFICE

2nd Floor
Berkeley Square House
Berkeley Square
London
W1J 6BD

AUDITOR

Baker Tilly UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

MGM Gold Mining Plc

DIRECTORS' REPORT

The directors submit their report and the financial statements for the period from incorporation on 20 April 2010 to 30 April 2011

PRINCIPAL ACTIVITY

The principal activity of the company is gold mining development and gold trading

RESULTS AND DIVIDENDS

The results for the financial period are set out in the profit and loss account on page 5 The financial position of the company at the period-end is shown in the balance sheet on page 6

The directors do not recommend the payment of a dividend

DIRECTORS

The following directors have held office since 20 April 2010

A Ayur	(appointed 20 April 2010)
Y Ippitsu	(appointed 20 April 2010)
N Jargalsaikhan	(appointed 19 November 2010)
T Otsuka	(appointed 20 April 2010)
D Graham	(appointed 24 October 2010, resigned 15 July 2011)
T Hosooka	(appointed 20 April 2010, resigned 15 July 2011)
T Tsuji	(appointed 20 April 2010, resigned 15 July 2011)
T Miyao	(appointed 20 April 2010, resigned 19 November 2010)
J Liu	(appointed 20 April 2010, resigned 19 November 2010)

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

POST BALANCE SHEET EVENTS

On 7 March 2012, MGM Hong Kong Mining Limited was incorporated and is a subsidiary of MGM Gold Mining plc

On 30 April 2012, a further 300,000 shares were issued to Triumviratus Inc and MGM Gold Japan Inc for capitalisation of the long term borrowings of £60,377

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware Each director has confirmed that they have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

Y Ippitsu
Director

25 May 2012

MGM Gold Mining Plc

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MGM Gold Mining Plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MGM GOLD MINING PLC

We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

()

PAUL WATTS

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

25 May 2012

MGM Gold Mining Plc

PROFIT AND LOSS ACCOUNT

for the period ended 30 April 2011

	Note	2011 £
Administrative expenses	2	123,277
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>123,277</u>
Tax on loss on ordinary activities	3	-
LOSS FOR THE FINANCIAL PERIOD		<u><u>123,277</u></u>

All activities derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial period other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

MGM Gold Mining Plc

BALANCE SHEET

as at 30 April 2011

	Note	2011 £
CREDITORS amounts falling due within one period	4	(11,400)
NET CURRENT LIABILITIES		<u>(11,400)</u>
CREDITORS amounts falling due after more than one period	5	(60,377)
NET LIABILITIES		<u><u>(71,777)</u></u>
 CAPITAL AND RESERVES		
Called up share capital	6	51,500
Profit and loss account		<u>(123,277)</u>
SHAREHOLDER'S DEFICIT		<u><u>(71,777)</u></u>

Authorised and approved for issue by on behalf of the Board of Directors

Y Ippitsu
Director
25 May 2012



Company Registration No 07228155

MGM Gold Mining Plc

ACCOUNTING POLICIES

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

CASH FLOW STATEMENT

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS1

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the date of the transaction. All differences are taken to the profit and loss account.

MGM Gold Mining Plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 April 2011

2 ADMINISTRATIVE EXPENSES

2011

£

Auditor's remuneration

11,400

No remuneration was paid or due to directors in the period

3 TAX ON LOSS ON ORDINARY ACTIVITIES

2011

£

Current taxation

United Kingdom corporation tax on loss for the period

-

Deferred tax

-

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

2011

£

Loss on ordinary activities before tax

(123,277)

Tax on loss on ordinary activities before tax at 27%

(33,285)

Factors affecting charge for the period

Losses carried forward

33,285

Current tax charge for the period

-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that the asset will be recovered

MGM Gold Mining Plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 April 2011

4 CREDITORS Amounts falling due within one period

	2011
	£
Accruals and deferred income	11,400
	<u> </u>

5 CREDITORS Amounts falling due after more than one period

	2011
	£
Borrowings	60,377
	<u> </u>

6 CALLED UP SHARE CAPITAL

	2011
	£
Allotted and fully paid	
103,000,000 Ordinary shares of £0 0005 each	51,500
	<u> </u>

On incorporation, the company issued 2 ordinary subscriber shares of £1 00 each for nil consideration. The two subscriber shares were subsequently paid up in full.

During the period ended 30 April 2011, the company issued a further 51,498 ordinary shares of £1 00 per share for a total consideration of £51,498. On 3 December 2010, the share capital was subdivided from 51,500 ordinary shares of £1 00 each into 103,000,000 ordinary shares of £0 0005.

MGM Gold Mining Plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 April 2011

7 COMBINED STATEMENT OF MOVEMENT IN SHAREHOLDER'S DEFICIT AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 20 April 2010	51,500	-	51,500
Loss for the financial period	-	(123,277)	(123,277)
At 30 April 2011	<u>51,500</u>	<u>(123,277)</u>	<u>(71,777)</u>

8 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

There is no ultimate controlling party or parent company as no individual shareholding exceeds 50%

9 SIGNIFICANT POST BALANCE SHEET EVENTS

On 7 March 2012, MGM Hong Kong Mining Limited was incorporated and is a subsidiary of MGM Gold Mining plc

On 30 April 2012, a further 300,000 shares were issued to Trumviratus Inc and MGM Gold Japan Inc for capitalisation of the long term borrowings of £60,377

10 RELATED PARTY TRANSACTIONS

At 30 April 2011, borrowings of £60,377 were due to Trumviratus Inc Y Ippitsu is a director of MGM Gold Mining plc and CEO of Trumviratus Inc